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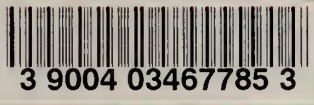

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Gt. Brit. Colonial Office

Correspondence

On the subject of an Imperial Commission to Enquire into the Financial Condition and Resources of the Colony, etc.

Precis of Correspondence between Government of Newfoundland and Secretary of State on the subject of an Imperial Commission to enquire into the Financial condition and Resources of the Colony.

Serial Number.	From or to whom.	Date.	Subject.
A.	Sir William V. Whiteway to Col Office.	1890. 21st July.	Memo. respecting the development of the resources of Newfoundland and the guarantee by Her Majesty's Government of a loan for that purpose to be raised by the Government of that Colony.
B.	Colonial Office to Sir W. V. Whiteway.	31st July.	Cannot at present guarantee a loan as requested in "A" nor at any time unless guarantee given which would form part of an arrangement for settlement of Fisheries Question with France and requiring, in case proposal made to Treasury, that complete statement of financial condition of Colony be furnished.
1.	From Secretary of State. (Telegraphic).	1891. 23rd Jan.	Her Majesty's Government prepared accept principle of Imperial guarantee of a loan for Railway Construction subject to previous enquiry by a competent person into merits Railway Scheme.
2.	To Secretary of State (Telegraphic).	3rd Feb.	Owing to difficulties incident question French Treaty rights in Newfoundland and failure float loan, serious difficulties will ensue unless temporary relief afforded. Ministers ask Her Majesty's Government guarantee to London and Westminster Bank loan of £150,000.

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Serial Number.	From or to whom.	Date.	Subject.
3.	From Secretary of State. (Telegraphic).	1891. 5th Feb.	Reply to 2. Presumes arrangement for idemnifica ion of loan will include supervision by an Imperial Officer of the finance, customs, receipts and expenditure.
4.	To Secretary of State. (Telegraphic).	6th Feb.	Trade only affected. Colonial Government not affected or straitened, the efore unwilling accept outside supervision. Guarantee not required for more than one year. If under such guarantee Imperial Government called upon to pay Colonia Government will consent to supervision.
5.	From Secretary of State.	9th Feb.	Her Majesty's Government prepared to act on telegram of 23rd Jan., but it will be necessary for Commissioner to be sent out whose duty it would be : 1. To enquire into agricultural and mining resources. 2. To enquire into financial condition of Colony. 3. To enquire into present condition of p ople living on Treaty Shore and to ascertain how far treaty obligations of Great Britain and Newfoundland have operated to their prejudice and to report as to what remedies could be applied. If this Commission accepted Her Majesty's Government will propose legislation as already indicated.

Serial Number.	From or to whom.	Date.	Subject.
6.	To Secretary of State. (Confidential).	1891. 12th Feb.	Extension of 2 and 4 and stating that Colonial Executive had also discussed question of railway guarantee, that his Ministry greatly resented the idea of Imperial supervision as being a usurpation of the power of self-government and that they were disinclined to an enquiry and adverse to bind themselves to co-operate in a settlement with France. The Governor also states that he pointed out to his Ministry that debt of Colony was yearly increasing, its trade and resources at a standstill, that Imperial Government could not give guarantee without consent of Parliament which would require full information and usual safeguards before adoption so unusual a precedent.
7.	To Secretary of State. (Telegraphic).	13th Feb.	Requiring secrecy of all communications *re* guarantee, as negotiations pending with other parties to obtain accommodation, crisis will be precipitated if publicity given. Government not straitened but in order provide funds enable community to tide over present difficulty will assume every responsibility.
8.	From Secretary of State. (Telegraphic).	14th Feb.	Enquiring if proposals Her Majesty's Government respecting railway loan guarantee were laid before Assembly when resolutions adopted (reference to Mr. Bond's resolutions *re* Bond-Blaine Convention). No papers to be pre-

Serial Number.	From or to whom.	Date.	Subject.
			sented except those laid before Imperial Parliament.
9.	To Secretary of State. (Telegraphic).	1891. 14th Feb.	Proposals Her Majesty's Government *re* guarantee of Railway loan not laid before Legislature.
10.	To Secretary of State. (Telegraphic).	24th Feb.	On asking Premier lay Secretary of State's telegrams 23rd January and 9th February before Legislature, Ministers asked that same be withheld until Her Majesty's Government gave Colony final decision as to signature of Bond-Blaine Convention.
11.	From Secretary of State. (Telegraphic).	2nd March.	Her Majesty's Government cannot allow people and Legislature Newfoundland to be kept in ignorance for an indefinite period of offer made and course taken by Her Majesty's Government with relation to railway loan guarantee, but will consent short delay.
12.	To Secretary of State. (Telegraphic).	4th March.	Repeats, at instance of Ministry, request contained in No. 10.
13.	From Secretary of State. (Telegraphic).	6th March.	Her Majesty's Government unable to add anything to telegram of 2nd March Do not see any reason for other matters being kept in abeyance.
14.	To Secretary of State.	20th July.	Refers to application by Delegates for Imperial guarantee of £200,000 stg. which Colonial Government endorses while accepting condition that Imperial Commission of Enquiry be sent out.

Serial Number.	From or to whom.	Date.	Subject.
15.	To Secretary of State. No. 79.	1891. 21st July.	Forwards Minute of Council applying for a guarantee by Imperial Government of a loan of £2,000,000 stg., and agreeing to accept condition that Her Majesty's Government shall appoint a Commission to enquire into various matters connected with Colony.
16.	From Secretary of State. (Confidential).	28th Aug.	Transmitting (1) copy of a letter from Newfoundland delegates on subject of Commission of Enquiry which it is suggested should be held into the resources of Colony with a view to the consideration of the proposal of the Imperial guarantee for a Newfoundland Loan, also (2) copy of reply of Secretary of State to same.
17.	Delegates to Colonial Office.	4th July.	Copy of letter (1) referred to in 16.
18.	Colonial Office to Delegates.	14th July.	Copy of letter (2) referred to in 16. Her Majesty's Government consents, but cannot waive any of the three conditions contained in Secretary of State's telegram of 9th February, 1891 (No. 5). Colonial Government must make formal application agreeing to said conditions, and give a distinct statement of their assent to appointment of the proposed Commission.
19.	From Secretary of State. No. 98.	3rd Nov.	Acknowledges receipt of Governor's despatch No. 79. States that time is too short before commencement of winter to fully investigate, and decides that Com-

Serial Number.	From or to whom.	Date.	Subject.
			mission proceed in spring of next year. In meantime, Colonial Legislature will doubtless have passed permanent enactment for carrying out Her Majesty's Treaty obligations, which legislation is necessary before proposed guarantee could be given
20.	From Secretary of State. No. 102.	1891. 10th Nov.	Asking if during winter Colonial Government would take steps collect facts and material necessary for Commissioners to study and investigate, and otherwise facilitate work of Commission.
21.	To Secretary of State.	1892. 13th Jan.	Every facility will be afforded for proposed Commission examine subjects coming within scope of enquiry, necessary transport for visiting such parts of Island as they may desire will be furnished.
22.	From Secretary of State. No. 19.	3rd March.	Her Majesty's Government have placed £2,000 stg. for expenses Commission on Imperial estimates. Two Commissioners proposed to be sent, if guarantee granted cost of enquiry should be paid from loan. Secretary of State trusts Colonial Government will be ready with full and detailed information *re* financial condition of Colony as well as all necessary for consideration of practicability of any scheme for colonization, etc.
23.	Administrator to Sir T. O'Brien (Telegraphic).	14th July.	Asks Governor to urge Her Majesty's Government as most beneficial in present calamity guar-

Serial Number.	From or to whom.	Date.	Subject.
			anteeing of a Colonial loan at three per cent. part of which is to purchase title of landlords in waterside property St. John's.
24.	Secretary of State to Administrator. (Telegraphic).	1892. 26th July.	States that proposal contained in No. 23 does not admit of definite reply in absence of details and asking for same.
25.	Secretary of State to Administrator. No. 55.	28th July.	Her Majesty's Government expresses sympathy with Colony in calamity which has overtaken it, will be glad render any assistance which they properly can towards restoration of town. Secretary of State repeats statement made in No. 24 as to lack of details in proposal Colonial Government. Requires certain particulars as to condition under which loan to be expended also financial position of Colony. Awaiting these Her Majesty's Government can do no more than admit, under certain restrictions the principle recently admitted in case of Mauritiua, *i.e.* guaranteeing a loan to assist the Colony in repairing effects of disaster.
26.	Secretary of State to Administrator. (Telegraphic).	3rd Aug.	Requests that Premier be informed that Mauritius loan appropriated assist public works already contracted for, and to repairing and re-building public buildings; also assist planters re-build premises, latter portion administered under conditions by Commission.

Serial Number.	From or to whom.	Date.	Subject.
27.	Administrator to Sir T. O'Brien. (Telegraphic).	1892. 22nd Sept.	Requests him approach Secretary of State *re* assistance for Fire Relief Committee from Imperial Government.
28.	Sir T. O'Brien to Administrator. (Telegraphic).	27th Sept.	Informs him that Relief Committee's representations have been urged on Secretary of State.
29.	To Secretary of State. (Telegraphic).	24th Oct.	Asking for reply to telegram of 22nd September (No. 27).
30.	From Secretary of State. (Telegraphic).	27th Oct.	Her Majesty's Government prepared advance £15,000 to Colonial Government to meet exigencies winter. Parliament will be asked grant this as a gift. Commissioner about to be appointed to enquire financial condition Colony and discuss with Colonial Government question of Loan.
31.	From Secretary of State. (Telegraphic).	1893. 6th Feb.	States that Her Majesty's Government has decided not to appoint Commission of Enquiry, but to Colonial Government to send a person to confer with Her Majesty's Government.
32.	To Secretary of State. (Telegraphic).	18th Feb.	Ministers desire acquaint Secretary of State that it will not be convenient to send a person authorized to confer with Her Majesty's Government until close of Legislature, about 20th May.
33.	From Secretary of State. (Telegraphic).	28th Feb.	States that if Enquiry further postponed to end of May, it would probably delay Imperial and Colonial legislation, and until

Serial Number.	From or to whom.	Date.	Subject.
			next year, when primary object will have ceased to exist.
34.	To Secretary of State. (Telegraphic.)	1894. 10th Dec.	Forwards message setting forth the state of affairs, and asking whether Her Majesty's Government will aid in procuring a loan of $1,000,000; a Royal Commission of Enquiry should be appointed.
35.	To Secretary of State. (Telegraphic).	10th Dec	Informs him that Government contemplate resigning, but would retain office if Royal Commission is coming; incoming Government probably averse to Enquiry, as they refuse all overtures, sink party, and combine and aid good of public.
36.	From Secretary of State. (Telegraphic).	11th Dec.	Her Majesty's Government could only intervene after full enquiry by a Royal Commission, this can only be done at request of Legislature, which should be summoned at once.
37.	To Secretary of State. (Telegraphic).	16th Dec.	Enquires if Confidential Despatch may be placed before Legislature.
38.	From Secretary of State. (Telegraphic).	18th Dec.	Informs Governor that he cannot agree to publication of despatches
39.	To Secretary of State. (Telegraphic).	18th Dec.	Inquires whether, in the event of the Legislature agreeing to a local enquiry by a Royal Commission, immediate assistance will be given by Her Majesty's Government, and, if so, on what terms. Further inquires what the scope of such local enquiry would be.

Serial Number.	From or to whom.	Date.	Subject.
39. *a*	To Secretary of State (Telegraphic).	1894. 28th Dec.	Reports that there is a strong feeling in favour of inquiry by Her Majesty's Government, and that the Committee of both Houses report the insolvency of the Commercial Bank and the solvency of the Union Bank.
40.	From Secretary of State. (Telegraphic).	1895. 9th Jan.	Her Majesty's Government will be prepared to appoint a Royal Commission if requested to do so by the Government and Legislature, but cannot pledge themselves beforehand as to the course to be taken when the Report of the Commission is received.
41.	To Secretary of State. (Telegraphic).	10th Jan.	Governor states that Colonial Ministry desire publication certain despatches *re* Royal Commission, in order quiet wild statements in press.
42.	From Secretary of State. (Telegraphic).	10th Jan.	He agrees to publication despatches
43.	To Secretary of State. (Telegraphic).	24th Jan.	States that the Legislature will at at once support Government in making formal request for the appointment of a Royal Commission if Her Majesty's Government will give the assurance that there is no intention of interfering with the Constitution of the Colony as a result of the proposed inquiry
44.	From Secretary of State. (Telegraphic).	26th Jan.	States that the Royal Commission must be unfettered and free to make inquiries, the result of which Her Majesty's Government will submit.

Serial Number.	From or to whom.	Date.	Subject.
45.	To Secretary of State. (Telegraphic).	1895. 11th Feb.	Forwards message from Ministers inquiring under what conditions Her Majesty's Government would guarantee Newfoundland Bonds.
46.	To Secretary of State. (Telegraphic).	19th Feb.	Asking for a reply to message 11th February (No. 45).
47.	To Secretary of State.	19th Feb.	Expresses the inability of Her Majesty's Government to guarantee the Newfoundland Bonds as requested.
48.	To Secretary of State. (Telegraphic).	24th Feb.	Reports that Sir F. Evans, M. P., has been appointed Special Commissioner to represent the views of the Colonial Government.
49.	To Secretary of State. (Telegraphic).	24th Feb.	If proposal contained message this date accepted, requests to be furnished with information as to progress negotiations.
50.	From Secretary of State. (Telegraphic).	5th March.	States that Her Majesty's Government has not been able to accede to the request for a guarantee of interest on bonds, but that they proposed to send out a Commissioner, who will disburse sums placed at his disposal by the Imperial Treasury for the relief of actual distress.
51.	To Secretary of State.	8th March.	Forwards a message from Ministers pointing out that assistance to enable the Savings Bank to meet demands would materially lessen the probability of further distress and asking that the Commissioner may be a man wholly unconnected with the Colony.

Serial Number.	From or to whom.	Date.	Subject.
52.	From Secretary of State. (Telegraphic).	1895. 22nd Mar.	Her Majesty's Government cannot undertake to as ist Savings Bank for same reasons as apply in case of guaranteeing of Colonial Bonds.
53.	Private Secretary to Col. Secretary.	8th March.	Governor has received further petitions for Royal Commission for transmission to Secretary of State and requests that matter be brought before Committee of Council, so that His Excellency may have an expression of their opinion on same to transmit to Secretary of State.
54.	Minute of Com. of Council.	8th March.	Committee of Council have fully expressed their opinion on subject.

Memorandum Respecting the Development of the Resources of Newfoundland and the Guarantee by Her Majesty's Government of a Loan for that Purpose, to be Raised by the Government of the Colony.

A

SIR W. V. WHITEWAY TO COLONIAL OFFICE.

The "Hand-book of Newfoundland" is furnished herewith, in which the resources of the Colony—agricultural, mineral, and forest—are referred to.

There have already been built about 120 miles of railroad, and a contract has been entered into for the construction of about 270 miles more, which, with about 150 miles additional, would open the lands referred to in the Hand-book. The fisheries of Newfoundland, although a great source of continuous wealth, can only afford employment to a certain number, and therefore an increasing population must either emigrate or find other sources of industry. The large areas of land might be made a location for a thriving agricultural population of immigrants, and their introduction into the Colony would be of material advantage in instructing the people of the Colony in agricultural pursuits, for which their hereditary occupation of fishing has not qualified them, but the youth may be drawn off into the interior by example and inducements to settle there.

To develop this country requires an expenditure of capital which cannot be immediatly remunerative, and there is comparatively a small population, say about 190,000, for opening up a country in extent equal to about England and Wales.

The Government and people are making stremuous efforts to accomplish this object, but they are still suffering from that policy which in the past dictated the action of the Imperial Government in keeping the Newfoundland fisheries as a nursery for British seamen, and preventing sett'ement in the Colony, and also from unfortunate treaties which have tended to crush the energies of a hardy race of men, and thwarted the progress of the island.

Whilst other British Colonies have received encouragement and pecuniary aid towards their development, Newfoundland has had to struggle against prohibitory and oppressive laws. It is now asked that Her Majesty's Government will make amends for the errors of past Governments, and aid in the Colony's development, not by advancing money from the Imperial Treasury, but only to guarantee a loan of, say, ten million dollars, or about two millions sterling, for the purposes before mentioned, by doing which Her Majesty's Government will incur no risk. This will enable the Colony to obtain the loan at a very low rate of interest, and the money judiciously expended in railroads and in aiding settlement will be of advantage, not only to Newfoundland, but to the mother country, in developing her oldest and nearest Colony, and in affording homes there for numbers of her surplus agricultural labourers, from whose industry there is every reason for believing much wealth may be poured into Britain from the lands of Newfoundland, as in the past has been the case from her fisheries.

21st. July, 1890.

B

COLONIAL OFFICE TO SIR W. V. WHITEWAY.

Downing Street, July 31st, 1890.

SIR,—

I am directed by Lord Knutsford to acknowledge the receipt of your memorandum of the 21st instant, "respecting the development "of the resources of Newfoundland and the guarantee by Her "Majesty's Government of a loan for that purpose to be raised by "the Government of the Colony."

Lord Knutsford fears that it would not be possible to obtain at the present moment the consent of the Lords Commissioners of the Treasury to a guarantee of a loan of £2,000,000 for the purposes suggested, nor at any time unless such a guarantee should form a part of a general arrangement for the settlement of the fisheries question with France.

At the same time, in case an opportunity should occur for making a proposal to the Treasury, it would be desirable that Lord Knutsford should be furnished with a complete statement of the financial condition and prospects of the Colony, and he would be glad if you would favor him with such a statement, showing the condition of the Colony during recent years.

Any papers in the possession of this department which would facilitate the preparation of such a statement will be at your disposal for the purpose of reference.

I am, etc.,

JOHN BRAMSTON.

SIR WILLIAM WHITEWAY, Q.C., K.C.M.G.

No. 1.

LORD KNUTSFORD TO SIR TERENCE O'BRIEN:

(Telegraphic).

23rd January, 1891.

I request that you will inform your Ministers confidentially that as, after the rejection by France of all their proposals, they decline to concur in arbitration, and refuse to legislate for "Modus Vivendi" while French rights are being ascertained, Her Majesty's Government feel compelled to maintain the position they have taken up, both as regards commencing negotiations with France for arbitration, and as to deferring the ratification of the draft Convention with the United States until its effect on other British interests has been considered. But, looking to depressed condition of the Colony and the importance of opening up its resources, they are now prepared to accept in principle Imperial guarantee of a loan for railway construction as asked by delegates. They desire further information as to direction, extent, and probable cost of lines, and the probable amount of loan required.

In order to satisfy Imperial Parliament, a previous inquiry by a competent person into the merits of the proposed railway would be necessary, and security afforded, perhaps, by the creation of an independent Commission that the loan will be expended to the best advantage of the Colony.

No. 2.

To the Secretary of State:

3rd February, 1891.

Owing to unfortunate difficulties incident to the question of French Treaty rights in Newfoundland, and the consequent non-floating of a loan, the facilities possessed in the past by the Colony and the people have been seriously curtailed and affected, so that it is inevitable that serious financial difficulties will ensue unless temporary relief be at once afforded. My Ministers, therefore, ask Her Majesty's Government to aid Newfoundland at this serious crisis by guaranteeing to the London and Westminster Bank a loan of £150,000 stg., upon the Bank advancing this Colony that amount. Any arrangement which may be satisfactory to Her Majesty's Government for their indemnification, my Ministers undertake to carry out. As this crisis cannot be averted for more than a few days, my Ministers urgently solicit an immediate favorable reply.

No. 3.

From Secretary of State.

5th February, 1891.

Your telegram of the 3rd instant has been received. I presume that an arrangement for indemnification will include the supervision by an Imperial officer of the finance, customs, receipts and expenditure. Please telegraph reply. The Cabinet will meet on Saturday next to consider the matter.

No. 4.

To Secretary of State.

6th February, 1891.

My ministers send the following reply to your telegram of 5th instant:—Consequent upon the causes already referred to, increased by money stringency in England, a commercial crisis is impending; there are more than ample stocks in hand to respond to all liabilities, but parties here are, by these causes, precluded from drawing exchange. The Colonial Government is not directly affected nor straitened, but the only means of averting the crash is by its coming to the assistance. My Ministers are therefore unwilling that outside officials should take charge of their financial affairs, and trust that such a course would hardly be asked for, and such a condition would evidence a want of confidence in their integrity, and would be a serious reflection on the credit of the Colony. Such exchange would be accepted by the London and Westminster Bank if Her Majesty's Government's guarantee is behind, and it is very unlikely that more than £75,000 of exchange would be drawn. This guarantee is not required to extend for more than one year, when my Government undertake to cancel the obligation. If, under this guarantee, Her Majesty's Government are called upon to pay, my Government will assent to supervision, or will make such other arrangements as Her Majesty's Government may approve.

No. 5.

Lord Knutsford to Sir Terence O'Brien:

(Telegraphic).

9th February.

Her Majesty's Government are willing to act on my telegram of the 23rd January, and, as also pointed out in that message, it will be necessary, in order to justify their action to Parliament, to have a Commission sent out:—

1. To enquire into and report upon the agricultural, mining, and other resources of the Colony, and the manner in which they may be best developed;

2. To enquire into and report upon the general financial condition of the Colony;

3. To enquire into and report upon the present condition of the population resident on or near the parts of the coast on which the French have right of fishery, and to ascertain in what particular respect the Treaty obligations of Great Britain and the Colony may have operated to the prejudice of that population; and, further, to report by what remedies consistent with those obligations, and with the rights and interests of other portions of the Empire, it may be practicable to remove the disadvantages under which the inhabitants of the Colony labour.

If your Government accepts this Commission, Her Majesty's Government will propose to Parliament the legislation already indicated.

It will be necessary at the same time to satisfy Parliament that proper measures are being taken for adjusting the controversy with France, and that the Colony is co-operating with Her Majesty's Government for that purpose.

No. 6.

[COPY.]

NEWFOUNDLAND. CONFIDENTIAL.

Government House,
12th February, 1891.

MY LORD,—

Adverting to my telegram of the 3rd instant, requesting the guarantee of Her Majesty's Government to a loan of £150,000 to meet the present difficulties of the Colony, I would report that I did not arrive at a conclusion in this matter till after a long and earnest discussion with my Ministers, when the necessity for such help had been put forward based on the following grounds:—

1st. Sir William Whiteway and Mr. Harvey stated that when in England the London and Westminster Bank, financial agents of the Colony, after first agreeing to float a loan of £200,000, subsequently refused to do so, making only an advance of £50,000, assigning as a reason that in the unsettled state of the Island owing to the French Treaty difficulties, they were not in a position to carry out their promise, a matter that at the time was fully discussed with your Lordship.

2ndly. That the recent difficulties between Great Britain and Portugal, our best market, had until very lately resulted in Newfoundland fish being boycotted; hence not only has there been loss, but large stocks have remained on hand causing a want of money in the Colony and of produce in the market abroad to draw upon.

3rdly. That the local commerce is now suffering from the reflux of the recent money panics in Europe and the United States.

2. As the mail boat was just starting I offered to detain her, which I have the power to do, in order that a full statement of the condition should go home by her, but the Hon. Mr. Harvey, who, in parenthesis, is a Director of the Union Bank, the largest of such local establishments, after making a calculation, said that if help was not here by the 14th or 15th instant, by which time the mails would not have reached England the greatest difficulties might be anticipated.

3. As I learnt that this sudden turn of affairs was only known to the Government the evening before, it is evident that the pressure comes from the Banks, the extent of which it is difficult to estimate.

4. On receipt of your Lordship's telegram of the 5th instant, and after its consideration by my Cabinet, I called an immediate meeting of Council, when the following further facts were stated :

5. That the money is not directly required for government purposes, as with its railway assets the Government could clear off at once the sum standing to its debit in the local Banks, in neither of which has it exceeded its authorized overdraft : nor is the difficulty

caused by the prospect of insolvency of either institution, it being due to the impossibility of one of them being able to obtain ready money or to realize its assets, as, owing to its supporters, the merchants, having fish but no money and therefore being in the same predicament: that a stoppage of this Bank would lead at once to large and numerous failures, when a panic would set in, and a run on the other Banks and the Government Saving's Bank would ensue, and that then the position of the Government as well as that of these institutions would at once become precarious in the extreme, while with these failures would come stoppage of supplies and advances to the fishermen, who would then be starving, and loss to our revenue, derived almost exclusively from duties on such supplies.

6. It therefore was argued that it was of the utmost importance to the trade and prosperity of the Colony that the Government should step in and divert such a crisis, the recent example in the case of Messrs. Baring Bros. being cited as a precedent, and that an appeal should be made to England, the Colony having no funds to meet the demand, more particularly as from the refusal of the London and Westminster Bank, to Imperial political causes over which the Island had no control, its borrowing from the hitherto available source was at an end.

7. The question of the promised railway guarantee was also discussed, when the placing of their financial affairs on a proper basis and of Imperial supervision was greatly resented, as implying a want of confidence in the Colony, and as damaging to its credit and its Government; in fact it was assumed as being an usurpation of the power of self-government conceded to Newfoundland

8. I pointed out that, as yearly the debt of the Colony had gone on increasing, though its trade and resources seemed to be at a standstill, they could not object to England demanding security, and I enlarged on the personal anxiety to help them evidenced in your Lordship's telegram, to make them appreciate that neither the Secretary of State nor the Cabinet could offer such a guarantee unless they were in a position to go to Parliament not only with a statement of the necessity, but one based on sound financial grounds for adopting so unusual and extreme a measure and establishing such a precedent: for, in my opinion, it was on these points and not on the question of the amount of the guarantee that the crux of their difficulty was to be found.

9. From your Lordship's telegram of the 9th instant, I was glad to find that I had anticipated the views of Her Majesty's Government, and I again repeated them when communicating the message to my Ministers, who have not yet taken action in the matter, their disinclination to an enquiry being evident, and their aversion to bind themselves to co-operate in a settlement with France being openly expressed.

I have, etc.,

(Sgd)., T. O'BRIEN,

Governor.

THE RIGHT HON. LORD KNUTSFORD, G.C.M.G., etc.

No. 7.

TO THE SECRETARY OF STATE.

13th February, 1891.

It is absolutely necessary to keep secret all communications on both sides which allude in any way to the present financial difficulties here, as the negotiations which are now pending with other parties to obtain the accomo lation, the need of which Her Majesty's Government is already acquainted with, would be imperilled by any publicity. The crisis which may be avoided and certainly would be avoide l if the Imperial guarantee were given to the London and Westminster Bank immediately, would be brought on by further publicity. This Government are not straitened, but are willing, in order to provide funds to enable the community to tide over the present difficulty, to assume every responsibility.

No. 8.

FROM THE SECRETARY OF STATE.

14th February, 1891.

I have received your telegram of the 13th instant. The repetition in Mr. Bond's resolutions of the incorrect statement that Her Majesty's Government had authorized the conclusion of the Convention

is reported in the press telegrams. As soon as you receive my despatch of the 12th instant, present it to both Houses of the Legislature. Was the House of Assembly informed of the proposals of Her Majesty's Government respecting the railway loan guarantee, when the resolutions were adopted? You are not to give the House any papers beyond those presented to Parliament here without special authority. The papers sent to you by mail of 29th January, should not yet be made public as they have not yet been presented to Parliament.

No. 9.

To Secretary of State.

14th February, 1891.

Your Lordship's telegram of this date: The proposals of Her Majesty's Government for the guarantee of a railway loan have not been laid before the Legislature, as your Lordship's telegrams on this subject being in cypher they have treated them as confidential, and my Ministers consider that, without the consent of both Governments, none of them can be published.

No. 10.

To Secretary of State:

24th February, 1891.

On my asking the Premier to lay your telegrams of 23rd January and 9th February before the Legislature, I was requested by my Ministers to telegraph to Your Lordship and beg reference to my telegram of 14th instant relative to the publication of despatches, and to suggest that, until Her Majesty's Government has given the Colony their final decision as to the signature of the Convention, neither these telegrams nor any other papers relative to the Convention should be made public; they are, however, most anxious that all communications relative to the subject should be made public as soon as this final decision has been given.

No. 11.

From Secretary of State.

2nd March, 1891.

In reply to your telegram of the 24th February, Her Majesty's Government cannot allow the people and Legislature of Newfoundland to be kept in ignorance, for an indefinite time, of the offer made and course taken by Her Majesty's Government in connection with the proposed convention and railway loan guarantee, and they will delay the publication of the correspondence, which has been promised to both Houses of Parliament here, for a short time, out of deference to the wish of your Ministers.

No. 12.

To Secretary of State.

4th March, 1891.

Notwithstanding my having pointed out your telegram of the 11th February and your despatch of 12th February, my Government request me to forward the following message:—My Ministers in replying to your telegram of 2nd instant say that they only desire the postponement of the publication of the telegrams referred to until H. M.'s Government have signed the Convention, or have definitely decided that they will not sign it and have advised my Ministers accordingly; they are anxious to receive a definite answer, as legislation remains in abeyance relative to revenue and other matters incidental to the Convention.

No. 13.

From Secretary of State.

6th March, 1891.

In reply to your telegram of 4th instant, Her Majesty's Government are unable to add anything to my very explicit despatch and telegram referred to. I do not see why other matters should be kept in abeyance by the question of the convention.

No. 14.

SIR T. O'BRIEN TO LORD KNUTSFORD.

(Telegraphic).

20th July, 1891.

Referring to application (see Nos. 17 and 18) made by delegates for Imperial guarantee of two million pounds sterling, which is endorsed by Government here, my Ministers accept conditions that Her Majesty's Government will send immediately Commission of Enquiry into mineral, agricultural and other resources in the Colony, and as to how they can be best developed, to report upon the financial condition of the Colony, and upon present condition of population resident on shore subject to French Treaties, and to ascertain in what respect Treaty obligations of Great Britain have operated to prejudice of that population, and further, to report by what remedies it may be possible to remove the disabilities under which Colony labors, and it may be understood by Her Majesty's Government that their recommendation to Parliament of guarantee asked for should be contingent on Colonial Legislature passing a permanent Bill to carry out French Treaties.

No. 15.

SIR T. O'BRIEN TO THE MARQUIS OF RIPON, K.G.

[No 79].

Government House,
St. John's, 21st July, 1891.

MY LORD,—

Referring to my telegram of the 20th instant, I have the honor to forward herewith a *Minute of Council applying for a guarantee by the Imperial Government of a loan of two million pounds sterling, and agreeing to accept the condition that Her Majesty's Government shall appoint a Commission to enquire into the various matters connected with the Colony.

I have, etc.,

(Sgd.). T. O'BRIEN,
Governor.

* Minutes of Council identical with telegraphic Despatch are No. 14.

No. 16.

CONFIDENTIAL.

LORD KNUTSFORD TO SIR T. O'BRIEN.

Downing Street, 28th August, 1891.

SIR,—

With reference to previous correspondence respecting the proposal for the guarantee by the Imperial Government for a Newfoundland loan, I am directed by Lord Knutsford to transmit to you for confidential communication to your Ministers, a copy of a letter from the Newfoundland Delegates on the subject of the Commission of Enquiry which it is suggested should be held into the resources of the Colony with a view to the consideration of the proposal, together with a copy of the reply which I caused to be returned to the Delegates.

I have, etc.,

(Sgd.), KNUTSFORD.

No. 17.

SIR W. V. WHITEWAY AND HON. A. W. HARVEY TO COLONIAL OFFICE:

(Enclosure No. 1).

Hotel Metropole, London, July 4th, 1891.

MY LORD,—

Referring to the interview which we had with you a few days since with reference to the guarantee of a loan for Newfoundland, we would most respectfully solicit that your Lordship will be pleased to cause the necessary enquiries to be made as speedily as possible with regard to the agricultural, mineral, and other resources of the Colony as referred to in your Lordship's telegram to Sir Terence O'Brien, shown us at our interview. We had hoped that Her Majesty's Government would have aided the Colony during the present Session of Parliament when a spirit of sympathy so largely prevails, and opposition is not to be apprehended. We still hope

that your Lordship may see your way to that end, so desirable to be obtained now when the condition of the financial status of the Colony has been so seriously affected by the unfortunate French questions.

We are, etc.,

(Sgd.), W. V. WHITEWAY.
A. W. HARVEY.

No. 18.

COLONIAL OFFICE TO SIR W. V. WHITEWAY AND HON. A. W. HARVEY:

(Enclosure No. 2).

Downing Street, July 14th, 1891.

GENTLEMEN,—

I am directed by Lord Knutsford to acknowledge the receipt of your letter of the 4th instant, urging that Her Majesty's Government will now cause inquiry to be made as speedily as possible into the resources of the Colony in connection with the request made at your recent interview with His Lordship, that an Imperial guarantee be given to a proposed Colonial loan.

I am to observe, in reply, that your application does not refer to the three conditions laid down by Her Majesty's Government in my telegram of the 9th February last, and therefore, without further explanation, it might be inferred that you now accept only the first of these conditions.

Her Majesty's Government, however, cannot waive any of the conditions laid down in that telegram; and, moreover, it would be necessary that the application for the loan should be formally made by the Colonial Government, with a distinct statement of their assent to the appointment of the proposed Commission with full powers to make the enquiries mentioned under the three heads specified in the telegram referred to.

I am also to state, with reference to the concluding paragraph of Lord Knutsford's telegram, that Her Majesty's Government, before asking Parliament to guarantee a Colonial loan, must be in a position to satisfy it that the Colonial Legislature will pass whatever measures are necessary for giving effect to the Treaty engagements with France respecting the fisheries.

I am to add, that as no answer has been returned to the telegram in question until the present time, it may be necessary to take the opinion of Her Majesty's Government again upon the subject after the receipt of the necessary application from the Colonial Government.

I am, etc.,

(Sgd), ROBERT G. W. HERBERT.

No. 19.

LORD KNUTSFORD TO SIR T. O'BRIEN.

[No. 98].

Downing Street, 3rd. November 1891.

SIR,—

I have the honor to acquaint you that Her Majesty's Government have had under consideration your Despatch No. 79 of the 21st. July forwarding a Minute of Council in which your Ministers endorse the application made by the Delegates for an Imperial gurantee of a loan of two million- sterling, and agreeing to the conditions laid down by Her Majesty's Government as preliminary to the consideration of this application.

As was pointed out in my letter to the Delegates of the 14th. July, a long period had elapsed between the time when the offer of Her Majesty's Government was made and the receipt of the formal application from you Ministers, and much has happened in the meantime which renders further consideration of the question necessary.

The objects and scope of the enquiry also make the selection of the Commissioners a task of considerable difficulty and it would be

necessary for them to report, after full examination, upon the existing industries of the Colony as well as upon the possibility of establishing new industries by the development of the mineral and other resources. It would also be an important part of their duties to ascertain by personal inspection the condition, as affected by the French Treaties, of the population of the Treaty Shore.

The time available this season subsequent to the receipt of the application of the Colonial Government, though perhaps sufficient for an investigation of the actual financial condition of the Colony, was altogether inadequate for the other parts of the enquiry, the result of which must largely influence Parliament in considering the propriety of guaranteeing a loan.

For these reasons, it has appeared to Her Majesty's Government to be preferable that the Commissioners should proceed to the Colony in the early spring when locomotion becomes practicable, so that with the whole period of industrial activity before them a thorough and complete investigation may be made, rather than they should enter upon their task at a time when those engaged in the principal industries of the Colony are finishing or have already finished the season's operations, and when there would be but a short period available for examining the resources which it is sought to develop.

Her Majesty's Government have accordingly decided to defer the appointment of the proposed Commission until the spring of next year, by which time I have no doubt your Ministers will have obtained from the Colonial Legislature the permanent enactment necessary for carrying out Her Majesty's Treaty obligations. As this legislation which it has been the desire of your Ministers to substitute for the present temporary Act, would have to be completed before the proposed guarantee could be given, the arrangement now contemplated would enable Her Majesty's Government, if justified by the report of the Commissioners, to make the necessary application to Parliament almost as soon as if the enquiry had been commenced during the autumn.

I have, etc.,

(Sgd.). KNUTSFORD.

No. 20.

LORD KNUTSFORD TO SIR T. O'BRIEN.

[No. 102].

Downing Street, 10th November, 1891.

SIR,—

With reference to my Despatch No. 98, of the 3rd instant, respecting the proposed Commission of Enquiry into the resources and financial condition of Newfoundland, it has occurred to me that the work of the Commission would be expedited if, during the winter, steps were taken by your Government for collecting such facts and materials as it might be necessary for the Commissioners to study or investigate, and if such preparations generally were made as might facilitate the operations of the Commissioners on their arrival.

The question of itinerary and transport would probably be among those requiring consideration.

I have, etc.,

(Sgd.), KNUTSFORD.

No. 21.

SIR T. O'BRIEN TO LORD KNUTSFORD.

[No 3.]

Government House,
St John's, 13th January, 1892.

MY LORD,—

I have the honor to report that on consideration of your Lordship's Despatch No. 102 of the 10th November last, my Government passed a resolution that steps would be taken to afford every facility for the proposed Commission to examine and report upon the subjects coming within the scope or their enquiry; as also that the necessary transport would be provided to enable them to visit such portions of the Island as they might require for the purpose of making their report.

I have, etc.

(Sgd.), T. O'BRIEN,
Governor.

No. 22.

LORD KNUTSFORD TO SIR T. O'BRIEN.

Downing Street, 3rd March, 1892.

[No. 19.]

Sir,—

I have the honor to acquaint you, for the information of your Ministers, with reference to previous correspondence, that Her Majesty's Government have placed on the Imperial Estimates for the next financial year a vote of £2,000 for the expenses of the Commis- of Enquiry into the finance and resources of Newfoundland with a view to the consideration of the question of applying to Parliament to guarantee a Colonial loan of £2,000,000.

Her Majesty's Government propose to send from this Country two Commissioners whose report would carry weight with Parliament, and while the expense of the enquiry will in the first instance fall upon the Imperial Treasury, they consider that if a guarantee is ultimately granted, the cost of the enquiry should be repaid from the proceeds of the loan.

Her Majesty's Government have no doubt that this arrangement will meet the views of your Ministers.

The estimate is of coure only very approximate and as your Government are prepared to find local transport for the Commision the expenditure will, unless the enquiry is unexpectedly protracted, probably be well within the sum mentioned.

As to this much will depend on the completeness of the information collected by your Government, and I trust they will be in a position to afford the Commission full and detailed information not only as to the financial condition of the Colony, but also all information necessary for the consideration of the practicability of any scheme of colonization, and the development of the agricultural and mineral resources of the Colony.

I shall be glad to consider any suggestions which your Ministers may desire to offer with a view of facilitating the work of the Commission and I hope to be able to announce to you shortly the names of the Commissioners.

I have, etc.,

(Sgd.), KNUTSFORD.

No. 23.

SIR F. CARTER TO SIR T. O'BRIEN.

(Telegraphic.)

14th July, 1892.

Executive Council respectfully request you approach and urge Her Majesty's Government suggesting in present calamity as of most material benefit a guarantee loan at three per cent part of which to purchase title of Landlords including absentees in waterside city property to be vested to secure interest. Unnecessary to elaborate should principle be entertained details can be arranged and Legislature convened.

No. 24.

LORD KNUTSFORD TO SIR F. CARTER:

26th July, 1892.

(Telegraphic).

Referring to your telegram to O'Brien of the 14th July, proposal of your Ministers does not admit of definite reply without further details. Her Majesty's Government deeply sympathise with Colony in this serious calamity, and will be glad to give assistance towards restoration, but to satisfy them as to ability of Colony to provide interest and sinking fund your Ministers should furnish statement of the full amount of loan desired, also how control over its expenditure is to be arranged, what is the nature and extent of proposed security, arrangements proposed to make for intended land purchase, and principles on which they are to be based. As at present advised, Her Majesty's Government doubt the propriety of using part of loan for this latter purpose. Full statements of receipts and expenditure should be sent, and of present actual indebtedness, shewing for what purpose the debt had been incurred, and similar statements in respect to the Municipality of St. John's. Pending receipt of these particulars, Her Majesty's Government can only admit, subject to satisfactory arrangement being made for all requirements which after further consideration seem desirable, the principle admitted in the case of Mauritius, namely, guaranteeing loan to assist Colony in repairing effects of disaster.

No. 25.

LORD KNUTSFORD TO SIR F. CARTER.

[No. 55].

Downing Street, 28th July, 1892.

SIR,—

I have the honor to acquaint you that Her Majesty's Government have had under their consideration the telegram which you addressed to Sir T. O'Brien, urging that Her Majesty's Government should guarantee a loan to the Colony at 3 per cent. interest, a part of which should be devoted to the purchase of waterside and city property.

Her Majesty's Government deeply sympathise with the Colony in the great calamity which has overtaken it, and will be glad to render any assistance which they properly can towards the restoration of the town.

The proposals contained in your telegram are not, however, in such shape as to admit of their giving a definite reply to them, especially in a matter where details are all important.

To enable them to arrive at a decision therefore, and to satisfy themselves as to the ability of the Colony to provide the annual sum necessary for interest and sinking fund, it is necessary that your Ministers should furnish without delay a statement as to the amount of the loan which it is desired to raise; what arrangements it is proposed to make for controlling its expenditure; the nature and extent of the proposed security; and the machinery which is to be created to secure a proper disbursement of the proceeds of the loan, and especially for effecting the intended land purchase, and the principles on which it is to be based. As at present advised, Her Majesty's Government entertain considerable doubt as to the propriety of using any part of the loan for the purpose last referred to.

A full statement of the Revenue and Expenditure for the last five years, and of the actual indebtedness of the Colony at the present time, shewing the various works in respect of which the debt has been incurred should also be supplied as well as similar information in respect of the Municipal Council of St. John's.

In present circumstances and until these particulars have been supplied, Her Majesty's Government can do no more than admit, subject to satisfactory arrangements as to all requirements which after further consideration may appear to them to be desirable, the principle which they have recently admitted in the case of a somewhat similar misfortune in Mauritius, viz. : that of guaranteeing a loan to assist the Colony in repairing the effects of the disaster with which it has been visited.

I have, etc.,

Sgd. KNUTSFORD.

No. 26.

LORD KNUTSFORD TO SIR F. CARTER.

(Telegraphic.)

3rd August, 1892.

Inform Whiteway Mauritius Loan appropriated partly to assisting public works already contracted for and to repairing and rebuilding public buildings, partly to assist planters to rebuild premises and carry on estates, latter portion administered under conditions by Commission.

No 27.

TO SIR TERENCE O'BRIEN.

(Telegraphic.)

22nd September, 1892.

Since report to Lord Mayor, which see, I have been requested by the Relief Committee to apply for them to Imperial Government for pecuniary aid occasioned by unforeseen contingencies. They have already been obliged to draw upon the $20,000. reserved for building and desire to keep intact the $50,000. compensation for property losses. From latest information of circumstances committee compute £25,000 stg. additional urgently required. Would you advise this application and approach Secretary of State on the subject

No. 28.

From Sir Terence O'Brien.

27th September, 1892.

Referring to your telegram I have very strongly urged Relief Committee's representation on Secretary of State. Question under consideration at present of Cabinet Ministers. I am embarking for home 27th September.

No. 29.

To Secretary of State.

24th October, 1892.

At especial request of Relief Committee request Colonial office to reply by telegraph to telegram of 22nd September requesting grant in aid to sufferers St. John's, Newfoundland.

No. 30.

From the Secretary of State.

27th October, 1892.

Referring to your telegram of 24 October, Her Majesty's Government prepared to advance immediately fifteen thousand pounds to your Government to meet the exigencies of winter. How would your Ministers wish to receive payment? Parliament will be asked to grant this sum as gift. Commissioner is about to be appointed to enquire into financial condition of Colony and discuss with your Ministers question of loan with a view to enable Her Majesty's Government to decide application of your Ministers.

No. 31.

[Copy.]

Telegram from Secretary of State to Governor O'Brien, 6th Feb. 1893.

Referring to my telegram of 27th October, after further consideration it has been decided not to appoint Commission of Enquiry but to ask Colonial Government to send as soon as possible authorized person to confer with Her Majesty's Government and to furnish full information, especially as to points mentioned in Despatch 28th July and proposal of your Ministers.

No. 32.

TELEGRAM FROM GOVERROR O'BRIEN TO H.M.'s SECRETARY OF STATE FOR THE COLONIES.

18th February, 1893.

Am requested by my responsible advisers to communicate following Minute of the Committee of Council:

On consideration of telegram of Secretary of State for the Colonies dated 6th February, it was resolved that a reply be transmitted that it will not be possible for the Government to send a person authorized to confer with H.M.'s Government till after the Legislature closes, which will be probably about 20th May.

No. 33.

TELEGRAM RECEIVED FROM SECRETARY OF STATE.

28th February, 1893.

Referring to your telegram of 18th February: If enquiry into financial condition further postponed till end of May, it would probably delay necessary legislation here and in the Colony till next year, when primary objects of loan would no longer exist. Probability of guaranteed loan being granted by Parliament will be much prejudiced, if necessary to introduce Imperial legislation for purpose of carrying out Treaty obligations and arbitration awards.

No. 34.

SIR T. O'BRIEN TO THE MARQUIS OF RIPON.

(Telegraphic.)

10th December, 1894.

My Government requests me to forward the following message relative to the present critical state of the Colony and the urgent need of prompt assistance.

The Commercial Bank has failed. The Union Bank cannot possibly keep open much longer. The interest payable in London next January upon the Colony's Bonds, which Union Bank was to pay for the Colony to the London and Westminster Bank cannot be pro-

vided, and the Colony will therefore be a defaulter unless aid is afforded. The disaster, which involves the whole trade of the Colony, has been long impending, but has been precipitated by the suspension of a London firm of Agents. Nearly one million and a half of dollars is due by the two Banks to the Government Savings Bank, forming a preferential claim on their assets. About an equal amount of the deposits in the Savings Bank is invested in Bonds of the Colony. Therefore the Savings Bank has no available funds to pay depositors who, by the closing of the other Banks, will be forced to draw upon deposits or suffer for the necessaries of life. Fish to the value of a million six hundred thousand dollars, now in stock, needs to be shipped to be realized, but there will actually not be funds enough in the Colony to pay shipping expenses unless help can be afforded.

Of the loan authorized last Session of the Legislature, nearly seven hundred thousand dollars is for debt due London and Westminster Bank. Against the balance, say eight hundred thousand dollars, as collateral, a temporary advance to Savings Bank of million at least must be procured in London, or the utmost misery and loss be the result. Will the Imperial Government aid in obtaiuing this? The utmost haste is needed in order to avoid the worst results. A Royal Commissiod to enquire into the whole political and commercial position of the Colony is absolutely essential, and Her Majesty's Government cannot decline to send such a Commission forthwith without serious and far-reaching results.

No. 35.

To Secretary of State.

10th December, 1894.

As desired by my Government to telegraph that they contemplate resigning, asserting that the Government should retain office if Royal Commission is coming, immediate intimation decision regarding the Royal Commision essential, nothing less than appointment Royal Commission can apparently save Colony from utter wreck. In-coming government in my opinion will be averse to enquiry as they refuse all overtures to sink party and combine and aid for good of public.

No. 36.

THE MARQUIS OF RIPON TO SIR T. O'BRIEN.

(Telegraphic).

11th December 1894.

Referring to your telegram Her Majesty's Government regret to learn of financial crisis. Impossible however for them to intervene in any manner, if at all, unless after full local enquiry by Royal Commission, which could only be undertaken at request of Government and Legislature It is urgently necessary therefore that Legislature should be summoned at once.

No. 37.

TO SECRETARY OF STATE.

16th December, 1894.

May I place before Houses of Legislature your confidential despatch of 28th August 1891 and telegram of 9th February commencing "confidentially I should."

No. 38.

THE MARQUIS OF RIPON, K.G., TO SIR T. O'BRIEN.

[Telegraphic].

18th December, 1894.

I cannot agree to publication of papers. The publication in existing circumstances would be very misleading. The offer applies to a totally different state of affairs. The conditions then laid down not having been fulfilled by the Colony the offer thereupon lapsed.

No. 39.

SIR T. O'BRIEN TO THE MARQUIS OF RIPON, K.G.

[Telegraphic].

18th December, 1894.

Colony deplorable condition owing to bank and commercial failure. Referring to your telegram of 11th December, Colonial Government desire to know whether, in the event of Legislature agreeing to local enquiry by Royal Commission, Her Majesty's Government would be prepared to give immediate assistance, and if so, on what terms; also what would be scope of local enquiry by Royal Commission if granted at present.

No. 40.

THE MARQUIS OF RIPON TO SIR T. O'BRIEN.

7th January, 1895.

If requested to do so by the Government and Legislature of Newfoundland, Her Majesty's Government would be prepared to appoint a Royal Commission to enquire into condition of the Colony and the causes which have led to it and report to Her Majesty's Government thereupon, but Her Majesty's Government cannot beforehand pledge themselves in any way as to the course which they may take when they have received the report of the Commission.

No. 41.

TO SECRETARY OF STATE.

10th January, 1895.

My Responsible Advisers desire publication of my telegrams 10th December, 18th December, and your Lordship's of 11th December, 9th January, relative to Royal Commission. I consider it desirable in order to quiet wild statements in press and allow public to appreciate situation.

No. 42.

FROM SECRETARY OF STATE.

10th January, 1895.

Agree to publication of telegrams. It is presumed that telegram of 10th December is one containing message from your Ministers.

No. 43.

To Secretary of State.

24th January, 1895.

Referring to your telegram of 9th instant, relative to appointment of Royal Commission. Grave alarm has been occasioned by statements in the English press that assistance can be granted only at price of surrender of the constitution and consequent return of Colony to condition of a Crown Colony. My present Ministers cannot admit correctness of assertions of my late advisers that a Royal Commission is absolutely essential. The present embarrasment, though very grave, is not governmental except in so far as failure of Banks and Commercial Firms has left the Colony without funds and entirely suspended Customs Receipts, therefore immediate assistance financially is absolutely necessary. While they dissent from the position taken by my late Advisers, they would welcome a Royal Commission as a preliminary to a guarantee of Loan' being confident that enquiry into internal resources of Colony will evidence that the depression is only temporary and prove soundness of the Colony's resources. If Her Majesty's Government will give the assurance that there is no intention of interfering with the constitution of the Colony as a consequence of the proposed enquiry, and that its aim and object will be to acquire accurate information respecting resources of the Colony, and to aid my Government in readjusting tariff and civil list to such extent as in view of immediate assistance and future guarantee may be deemed necessary by Her Majesty's Government, the Legislature will at once support my Government in making the formal request required by your despatch of date aforesaid.

No. 44.

The Marquis of Ripon, K.G., to Sir T. O'Brien.

26th January, 1895.

Referring to your telegram of 24th January, Her Majesty's Government have not arrived at any foregone conclusion. Royal Commission must be unfettered and free to make the enquiries specified in my telegram of 9th January. Her Majesty's Government will await result of enquiry. Cannot take responsibility for what may have been stated in press.

No. 45.

To Secretary of State.

11th February, 1895.

Am requested to forward following: My Ministers are of opinion that an Imperial guarantee of interest to the extent of £20,000 stg. per annum of Newfoundland Bonds would enable them to pay off all floa ing liabilities of the Colony and carry the Government over the present crisis and until revenue would again suffice for wants of the Island. Would Imperial Government consider this matter at as early a date as possible and reply on what conditions they wou'd give such guarantee and preserve the integrity of the Colony through a temporary, though most severe, crisis?

No. 46.

To Secretary of State.

19th February, 1895.

Am requested by my Responsible Advisers to solicit reply to my telegram of 11th February.

No. 47.

From Secretary of State.

19th February, 1895.

The application of your Ministers made in your telegram of 11th February has been carefully considered by Her Majesty's Government. It is a necessary consequence of the self-government, enjoyed by Colonies having Responsible Government, that such Colonies should not look to the Imperial Government to aid them in their financial arrangements. Such aid would require constant supervision inconsistent with self-government. To guarantee Newfoundland Bonds would be to create a precedent of wide application which would involve Her Majesty's Government in responsibilities which they could not, with justice to the taxpayers of the United Kingdom, undertake. They are therefore unable to accept the proposal contained in your telegram.

No. 48.

To Secretary of State.

24th February, 1895.

My Ministers desire me to inform you that Sir Francis Evans, M.P., has been appointed special Commissioner by the Government of this Colony to represent their views to Her Majesty's Government in reference to guarantee of loan.

No. 49.

2nd of the same date.

Referring of my telegram to-day: If you accept proposal of Executive Council, may I request to be furnished with information as to progress of negotiations from time to time.

No. 50.

From Secretary of State.

5th March, 1895.

Her Majesty's Government have carefully considered application made by special Commissioner on behalf of Colony for guarantee of £20,000, stg., for 25 years, but for reasons given in my telegram of 19th February have not been able to accede to it. They recognize, however, existence and probable increase of distress, which Colonial Government cannot relieve under existing circumstances, and propose, as soon as possible, to send out Commissioner who will, in concert with you and your Ministers, as far as possible, consider and report as to the extent to which assistance is absolutely necessary, in addition to private charity, and channel through which it could be best distributed. Such sums as Her Majesty's Government may think proper will from time to time be placed at the disposal of Commissioner for relief of actual distress, but no loan or assistance is to be given to commercial houses. I hope to communicate name of Commissioner and date of departure shortly.

No. 51.

To Secretary of State.

8th March, 1895.

Am requested to forward following: My Ministers appreciate the careful consideration given by Her Majesty's Government to the application of the Special Commissioner, but judging from your despatch of the 5th instant, Her Majesty's Government evidently fails to appreciate the condition of the Colony.

Referring to former despatches it will be seen that no loans were asked for or contemplated being made to mercantile firms or Banks, nor eleemosynary aid solicited. The failure of very many mercantile firms, and the only two Banks in the Colony, with the exception of the Savings Bank, has embarrassed the Government and the community. In the insolvent Banks were deposited £200,000 stg. of the Savings Bank's funds, wanted for current requirements. The insolvent Banks were also the Government depositories, and from them the Government drew such funds as they required. The funds of the Saving's Bank, deposited in the insolvent Banks, being preferential are perfectly safe, though unavailable for many months. By these failures and the discredit attaching to the Colony thereby the Government are temporarily deprived of the means of meeting promptly the claims of depositors in the Savings Bank, which by law are guaranteed by Government and Government's own requirements for some time to come, without any loan, which can only be obtained on its unpaid credit at the moment at exorbitant rates of interest.

If my Government can place the Savings Bank in a position to meet all the probable demands of depositors immediately, the probability of further distress will be materially lessened.

As her Majesty's Government have decided to send a Commissioner for the purpose expressed in your despatch of the 5th instant, my Ministers desiring a disinterested report and distribution of the funds placed at his disposal, respectfully request that a stranger, wholly unconnected at any time, either officially or commercially, with the Colony should be appointed

My Ministers desire that a copy of this message be forwarded to Evans, special Commissioner, to save cost second message and they most respectfully solicit early reply as prompt action necessary.

No. 52.

FROM SECRETARY OF STATE.

22nd March, 1895.

Referring to your telegrm 8th March: Reasons which precluded Her Majesty's Government from acceding to application for gnarantee Colonial Bonds apply equally to application on behalf of Savings Bank. Therefore Her Majesty's Government cannot undertake to give any assistance to it.

[COPY].

No. 53.

Government House, St. John's, Newfoundland,

8th March, 1895.

SIR,—

I am directed to inform you that His Excellency the Governor has received a further batch of petitions for a Royal Commission similar to the one laid on the table of the House of Assembly by the Acting Receiver General on the 3rd of January last, for transmission to the Right Honorable the Secretary of State for the Colonies by the out-going mail, and to request that the matter be brought under the consideration of the Committee of Council in order that the Governor may have an expression of their opinion on this request now so largely endorsed by the public.

May I draw your attention also to the necessity for this answer being in this office 24 hours previous to the departure of the next mail in order to give time for the necessary preliminaries of transmission.

I have, etc.,

(Sgd.), W. S. MELVILL,

Captain, A. D. C.

The Hon. the Colonial Secretary.

No. 54.

MINUTE OF COMMITTEE OF COUNCIL.

March 8th, 1895.

Committee of Council having had under consideration a letter received from His Excellency the Governor of date the 8th instant, it was resolved that the opinion of the Council has already been fully expressed upon the subject referred to, in the recent communications which have been made by His Excellency to the Right Honorable Secretary of State for the Colonies by and with the advice of His Excellency's constitutional advisers.

Correspondence

On the subject of an Imperial Commission to Enquire into the Financial Condition and Resources of the Colony, etc.

(Ordered by the Hon. House of Assembly to be printed.)